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*From Prof M. W. Harrington  
Dec 29, 1881*

*Uncl'd Pamphlets. 5-37*

# INSURANCE LAWS

OF THE

# STATE OF IOWA.

COMPILLED FROM THE

## CODE OF IOWA, AND THE AMENDMENTS THERE TO.

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W. V. LUCAS, AUDITOR OF STATE



DES MOINES:  
F. M. HILLS, STATE PRINTER,  
1881.

INSURANCE LAWS

STATE OF IOWA



Iowa.

23957

# INSURANCE LAWS

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## CODE OF IOWA, AND THE AMENDMENTS THERETO.

BY

W. V. LUCAS, AUDITOR OF STATE.

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DES MOINES:  
F. M. MILLS, STATE PRINTER.  
1881.



F. Harrington  
3/29/85  
BuctR

STATE OF IOWA, AUDITOR'S OFFICE, }  
DES MOINES, January 20, 1881. }

To Insurance Companies and their Agents:

A COMPILATION of the laws of Iowa, relative to insurance, is herewith published, with a view to giving companies and their agents the fullest information in regard to the transaction of a legal and legitimate business under its provisions. The attention of companies is respectfully called to the following essential particulars to be observed in compliance with the law.

1st. The capital stock paid up, of a fire company, organized in another state, must be at least *two hundred thousand dollars*.

Capital of Co's. of other states must be \$200,000.00 paid up.

2d. A properly certified copy of the charter of the company must be filed in this office.

Copy of charter to be filed.

3d. A full statement of the affairs of the company, made on a blank furnished by this office, must be forwarded to the auditor. The statement must be properly verified by the affidavits of the officers of the company, certified by a commissioner for the state of Iowa, or by some officer legally authorized to administer oaths and to use a seal of office.

Statement to be filed with the auditor of state.

4th. Each company must receive a certificate of authority from the auditor before it can transact business in the state. It must also file in this office a general power of attorney authorizing any agent or agents of such company in this state to acknowledge service of process for and on behalf of such company. All certificates must be ordered by the officers of the company, or by a general agent duly authorized to appoint and remove agents; said general agent must have a general agent's certificate from the auditor, and a power of attorney on file authorizing him to appoint and remove agents, duly signed by the officers of the company, with seal attached.

Each company and agent must have a certificate.

Power of attorney to be filed.

Certificate must be ordered by company or general agent.

5th. Where firms are appointed agents by a company, each member is required to have a certificate in his own name; so companies are requested to forward the full name of each member of a firm, when making application for certificates.

Each member of a firm must have a certificate.

- Fees.** 6th. The fees prescribed in section 1153 are charged in all cases, except when a company is organized in a state where the fees or charges of any kind are greater; then a like amount is charged. In addition to the fees prescribed, all companies of other states, both fire and life, are required to pay two and a half per cent tax on gross premium receipts in the state for the previous year. All notes taken for premiums are counted as receipts.
- Taxes.**
- Notes to be counted as receipts and taxed.**
- Fees paid into state treasury.** 7th. All fees collected by the auditor are paid by him to the state treasurer at the end of each month, a detailed statement of which must be made and sworn to by him; hence all fees must be paid when papers are filed or certificates ordered. This would better be remembered by companies and general agents, as *no certificates are issued until the fees are received.*
- Fees must be paid in advance.**
- Companies will be furnished with blanks.** 8th. On application to this office companies will be furnished with all the blanks necessarily used in meeting the requirements of the law.
- Penalties for fire companies failing to comply with the law.** 9th. The penalty for failing to comply with the law on the part of any officer or person doing any fire insurance business in this state is, a fine not exceeding one thousand dollars, and imprisonment in the county jail not less than thirty days, and not more than six months. The penalty for any life insurance *agent* doing business without the auditor's certificate is three hundred dollars. A life *company* forfeits one hundred dollars for each day's neglect to procure a certificate. In case of non-payment of the penalty the individual offending shall be liable to imprisonment in the county jail not exceeding three months.
- Penalties for life companies failing to comply with the law.**
- Any further information will be furnished when desired.

W. V. LUCAS,  
*Auditor of State.*

# INSURANCE LAWS.

## CODE OF IOWA, 1873,

AND AMENDMENTS THERETO.

### CHAPTER 4.

#### OF FIRE INSURANCE COMPANIES.

SECTION 1122. When any number of persons associate themselves together for the purpose of forming an insurance company, or for any other purpose than life insurance, under the provisions of chapter one of this title, they shall publish a notice of such intention, once in each week, for four weeks, in some public newspaper in the county in which such insurance company is proposed to be located; and they shall also make a certificate, under their hands, specifying the name assumed by such company, and by which it shall be known, the object for which said company shall be formed, the amount of its capital stock, and the place where the principal office of said company shall be located; which certificate shall be acknowledged before and certified by some notary public or clerk of a court of record, and forwarded to the auditor of state, who shall submit the same to the attorney-general for examination, and if it shall be found by the attorney-general to be in accordance with the provisions of this chapter, and not in conflict with the constitution and laws of the United States, and of this state, he shall make a certificate of the fact and return it to the auditor of state, who shall reject the name or title applied for by any company when he shall deem the same too similar to any one already appropriated by any other company; or likely to mislead the public.

How formed:  
notice: certifi-  
cate: attorney-  
general.  
Ch. 138, § 1, 13  
G. A.

SEC. 1123. When the certificate of said company shall have received the approval of the attorney-general and auditor of state, the company shall cause the same to be recorded as required by law for recording articles of incorporation; and said persons, when incorporated, and having in all respects complied with the provisions of this chapter, are hereby authorized to carry on the business of insurance as named in such certificate of incorporation, and by the name and style provided therein, and shall be deemed a body corporate with succession; they and their associates, successors, and assigns, to have the same general corporate powers, and be subject to all the obligations and restrictions of said chapter one of this title except as may be herein otherwise provided.

Approval of  
certificate: the  
same recorded:  
powers.  
Same, § 2.



THE  
CITY OF  
MILWAUKEE  
COUNTY  
OF THE STATE OF WISCONSIN  
DO HEREBY CERTIFY THAT  
THE  
FOLLOWING IS  
A TRUE AND CORRECT  
COPY OF THE  
ORDINANCE  
AS PASSED BY THE  
COMMON COUNCIL OF THE  
CITY OF MILWAUKEE  
ON THE  
THIRTIETH DAY OF  
MAY A.D. 1911  
AT THE CITY CLERK'S OFFICE  
MILWAUKEE, WISCONSIN

THE CITY CLERK OF THE CITY OF MILWAUKEE  
DOES HEREBY CERTIFY THAT THE  
FOLLOWING IS A TRUE AND CORRECT  
COPY OF THE ORDINANCE AS PASSED BY THE  
COMMON COUNCIL OF THE CITY OF MILWAUKEE  
ON THE THIRTIETH DAY OF MAY A.D. 1911  
AT THE CITY CLERK'S OFFICE MILWAUKEE, WISCONSIN

sitions, and enter into agreements in the manner and to the extent specified in section eleven hundred and twenty-four of this chapter.

## DIRECTORS—OFFICERS.

SEC. 1126. The affairs of any company organized under the provisions of this chapter, shall be managed by not more than twenty-one, nor by less than five, directors, all of whom shall be stockholders. Within thirty days after the subscription book shall have been filled, a majority of the subscribers shall hold a meeting for the election of directors—each share entitling the holder thereof to one vote; and the directors then elected shall continue in office until their successors have been duly chosen and have accepted the trust.

Election of and number. Same, § 5.

SEC. 1127. The annual meetings for the election of directors shall be holden during the month of January, at such time as the by-laws of the company may direct: *provided, however*, that if for any cause the stockholders shall fail to elect at any annual meeting, then they may hold a special meeting some day subsequent thereto for that purpose, by giving thirty days' notice thereof in some newspaper in general circulation in the county in which the principal office of the company shall be located, and the directors chosen at any such annual or special meeting shall continue in office until the next annual meeting and until their successors, duly elected, shall have accepted.

Annual meeting of. Same, § 9.

SEC. 1128. The directors shall choose, by ballot, a president from their own number, and shall fill all vacancies which shall arise in the board or in the presidency thereof; and the board of directors thus constituted, or a majority of them, when convened at the office of the company, shall be competent to exercise all the powers vested in them by this chapter.

Elect a president and fill all vacancies. Same, § 10.

SEC. 1129. The directors of any such company shall have power to appoint a secretary, and any other officers or agents necessary for transacting the business of the company, paying such salaries, and taking such securities as they may deem reasonable; they may ordain and establish such by-laws and regulations, not inconsistent with this chapter, or with the constitution and laws of the United States and of this state, as shall appear to them necessary for regulating and conducting the business of the company; and they shall keep full and correct entries of their transactions, which shall, at all times, be open to the inspection of the stockholders, and to the inspection of persons invested by law with the right thereof.

Appoint officers and establish by-laws. Same, § 11.

## INVESTMENTS—EXAMINATION—INSURANCE.

SEC. 1130. It shall be lawful for any insurance company organized under this chapter, to invest its capital and the funds accumulated in the course of its business, or any part thereof, in bonds and mortgages on unencumbered real estate within the

Funds invested: security for loans required: changes therein. Same, § 6.

state of Iowa, worth double the sum loaned thereon, exclusive of buildings, unless such buildings are insured in some responsible company, and the policy transferred to said company, and also of stocks of this state, or stocks or treasury notes of the United States—in the stocks or bonds of any county or incorporated city in this state authorized to be issued by the legislature of this state; and to lend the same, or any part thereof, on the security of such stocks or bonds, or treasury notes, or upon bonds and mortgages as aforesaid and not otherwise; and to change and reinvest the same in like securities as occasion may, from time to time, require; but any surplus money over and above the paid-up capital stock of any such company organized under this chapter, or incorporated under any law of this state, may be invested in or loaned upon the pledge of the public stock or bonds of the United States, or any one of the states, or the stocks, bonds, or other evidences of indebtedness of any solvent, dividend-paying institutions incorporated under the laws of this state or of the United States, except their own stock; if the current market value of such stock, bonds, or other evidences of indebtedness, shall be at all times, during the continuance of such loans, at least ten per cent more than the sum loaned thereon.

Assets examined by auditor: officers to certify under oath. Same, § 7.

SEC. 1131. Upon receiving notification that the requirements of the preceding sections have been complied with, the auditor of state shall make an examination, or cause one to be made by some disinterested person officially appointed by him for that purpose; and if it shall be found that the capital herein required of the company named, according to the nature of the business proposed to be transacted by such company, has been paid in and is possessed by it in money, or in such stock, notes, bonds, and mortgages as are required by sections eleven hundred and twenty-four and eleven hundred and thirty of this chapter, then he shall so certify; and if the examination be made by any other than the auditor, then the finding shall be certified under oath; or, if it is proposed to be a mutual insurance company, such certificate shall be to the effect that it has received and is in actual possession of the capital, premiums, or actual engagements of insurance or other securities, as the case may be, to the extent and value required by section eleven hundred and twenty-four and eleven hundred and thirty of this chapter. The name and residence of the maker of each premium note forming part of the capital of any such proposed mutual insurance company, and the amount of such note, shall be returned to the auditor. The corporators or officers of any such company, or proposed company, shall be required to certify, under oath, to the auditor of state, that the capital exhibited to the person making the examination directed in this section, was, actually and in good faith, the property of the company so examined. The certificates above contemplated shall be filed in the office of said auditor, who shall thereupon deliver to such company a certified copy of the same, with his written permission for them to commence the

business proposed in their written certificate of incorporation, which, being recorded by the recorder of the county in which the company is to be located, in a book prepared by him for that purpose, shall be their authority to commence business and issue policies; and such certified copy of said certificates may be used in evidence for or against said company with the same effect as the originals.

SEC. 1132. It shall be lawful for any company organized under this chapter, or doing business in this state :

1. To insure houses, buildings and all other kinds of property against loss or damage by fire or other casualty, and to make all kinds of insurance on goods, merchandise, or other property in the course of transportation, whether on land or on water, or any vessel or boat, wherever the same may be;

Kinds of insurance. Same, § 8. Fire and marine.

2. To make insurance on the health of individuals, and against the personal injury, disablement, and death, resulting from traveling, or general accidents by land or water;

Health and accident.

3. To insure the fidelity of persons holding places of private or public trust;

Fidelity of persons.

4. To receive on deposit and insure the safe keeping of books, papers, moneys, stocks, bonds, and all kinds of personal property;

Personal property.

5. To insure horses, cattle, and other live stock against loss, or damage by accident, theft, or any unknown or contingent event whatever, which may be the subject of legal insurance; to lend money on bottomry or respondentia, and to cause itself to be insured against any loss or risk it may have incurred in the course of its business, and upon the interest which it may have in any property, by means of any loan which it may have made on mortgage, bottomry, or respondentia, and generally to do and perform all other matters and things proper to promote these objects.

Live stock.

Loan money on bottomry.

But no company shall be organized to issue policies of insurance for more than one of the above five mentioned purposes, and no company that shall have been organized for either one of said purposes, shall issue policies of insurance for any other; and no company organized under this chapter, or transacting business in this state, shall expose itself to loss on any one risk or hazard to an amount exceeding ten per cent on its paid up capital, unless the excess shall be reinsured by the same in some other good and reliable company. But the restrictions as to the amount of risk any company shall assume, shall not apply to any companies organized to guarantee the fidelity of persons in places of public or private trust, nor to companies that receive on deposit and guarantee the safe keeping of books, papers, moneys, and other personal property.

Confined to one kind of insurance.

Limit of risk.

SEC. 1133. All policies or contracts of insurance made or entered into by the company, may be made either with or without the seal of said company; but said policies shall be sub-

Policies of. Same, § 12.

scribed by the president, or such other officers as may be designated by the directors for that purpose, and shall be attested by the secretary thereof.

Transfer of stock.  
Same, § 13.

SEC. 1134. Transfers of stock may be made by any stockholder or his legal representative, subject to such restrictions as the directors shall establish in their by-laws, except as hereinafter provided.

CAPITAL INCREASED—REAL ESTATE.

How: certify to auditor.  
Same, § 14.

SEC. 1135. Whenever any company organized under this chapter, with less than the maximum capital limited in section eleven hundred and twenty-four hereof, shall, in the opinion of the directors thereof, require an increased amount of capital, they shall, if authorized by the holders of a majority of the stock to do so, file with the auditor of state a certificate setting forth the amount of such desired increase, not exceeding said maximum, and thereafter such company shall be entitled to have the increased amount of capital fixed by said certificate, and the examination of securities composing the capital stock thus increased, shall be made in the same manner as provided in section eleven hundred and thirty-one of this chapter for the capital stock first paid in.

Dividends: amount of reservation: forfeiture of charter.  
Same, § 15.

SEC. 1136. The directors, trustees, or managers of any insurance company organized under this chapter, or incorporated under any law of this state, shall not make any dividends, except from the surplus profit arising from their business; and in estimating such profits, there shall be reserved therefrom a sum equal to forty per cent of the amount received as premiums on unexpired risks and policies, which amount, so reserved, is hereby declared to be unearned premiums; and there shall be also reserved all sums due the corporation on bonds and mortgages, bonds, stocks, and book account, of which no part of the principal or interest thereon has been paid during the year preceding such estimate of profits, and upon which suit for foreclosure or collection has not been commenced, or which, after judgment has been obtained thereon, shall have remained more than two years unsatisfied, and on which interest shall not have been paid; and, in case of any such judgment, the interest due or accrued thereon and remaining unpaid, shall also be reserved. Any dividends made contrary to these provisions, shall subject the company making it to a forfeiture of their charter.

May own real estate.  
Same, § 16.

SEC. 1137. No company organized under this chapter shall purchase, hold, or convey any real estate, save for the purposes and in the manner herein set forth:

For accommodation of business.

1. Such as shall be requisite for its convenient accommodation in the transaction of its business;

Mortgaged as security.

2. Such as shall have been mortgaged to it in good faith by way of security for loans previously contracted, or for money due;

3. Such as shall have been conveyed to it in satisfaction of debts previously contracted in the legitimate business of the company, or for money due;

When taken in satisfaction of debts.

4. Such as shall have been purchased at sales upon judgments, decrees, or mortgages obtained or made for such debt; and it shall not be lawful for any such company to purchase, hold, or convey real estate in any other case, or for any other purpose, or acquired in any other manner, except that it may convey real estate which shall be found in the course of its business not necessary for its convenient accommodation in the transaction thereof; and all such last mentioned real estate shall be sold and conveyed within three years after the same has been deemed by the auditor of state unnecessary for such accommodation, unless the company shall procure a certificate from the said auditor that the interest of said company will materially suffer by a forced sale, in which event the sale may be postponed for such a period as the said auditor may direct in such certificate.

When purchased to secure debt.

When to be sold.

#### DEPOSIT NOTES—LOSSES—POLICY.

SEC. 1138. All notes deposited with any mutual insurance company at the time of its organization, as provided in section eleven hundred and twenty-four hereof, shall remain as security for all losses and claims until the accumulation of the profits invested, as required by section eleven hundred and thirty of this chapter, shall equal the amount of cash capital required to be possessed by stock companies organized under this chapter, the liability of each note decreasing proportionately as the profits are accumulating; but any note which may have been deposited with any mutual insurance company subsequent to its organization, in addition to the cash premiums on any insurance effected with such company, may, at the expiration of the time of such insurance, or upon the cancellation by the company of the policy, be relinquished and given up to the maker thereof, or his legal representatives, upon his paying his proportion of losses and expenses which may have accrued thereon during such term. The directors or trustees of any such company shall have the right to determine the amount of the note to be given, in addition to the cash premium, by any person insured in such company; and every person effecting insurance in any mutual company, and also his heirs, executors, administrators, and assigns, continuing to be so insured, shall thereby become members of said company during the period of insurance, and shall be bound to pay for losses, and such necessary expenses as aforesaid, accruing to said company in proportion to his or their deposit note. But any person insured in any mutual company, except in the case of notes required by this chapter to be deposited at the time of its organization, may, at any time return his policy for cancellation, and, upon payment of the amount due at such time upon his premium note, shall be discharged from further liability thereon.

Mutual companies: notes given at organization of and subsequently. Same, § 17.

Settlement of losses: to what extent members are liable. Same, § 18.

SEC. 1139. The directors shall, as often as they deem necessary, after receiving notice of any loss or damage, settle and determine the sums to be paid by the several members thereof as their respective portion of such loss, and publish the same in such manner as they shall deem proper, or the by-laws shall have prescribed; but the sum to be paid by each member shall always be in proportion to the original amount of his deposit note, and shall be paid to the officers of the company within thirty days after the publication of said notice; and if any member shall, for the space of thirty days after personal demand, or by letter, for payment shall have been made, neglect or refuse to pay the sum assessed upon him as his proportion of any loss aforesaid, the directors may sue for and recover the whole amount of his deposit note, with costs of suit; but execution shall issue for assessments and costs as they accrue only, and every such execution shall be accompanied by a list of losses for which the assessment was made. If the whole amount of deposit notes shall be insufficient to pay the loss occasioned, the sufferers insured by said company shall receive, toward making good their respective losses, a proportionate share of the whole amount of said notes, according to the sums to them respectively insured; but no member shall ever be required to pay for any loss more than the whole amount of his deposit note.

Policies to show whether it is a mutual or stock company. Same, § 19.

SEC. 1140. Every insurance company hereafter organized as provided in this chapter, shall, if it be a mutual company, embody the word "mutual" in its title, which shall appear upon the first page of every policy and renewal receipt; and every company doing business as a cash stock company, shall, upon the face of its policies, express in some suitable manner that such policies were issued by stock companies.

#### ANNUAL STATEMENT.

When and to whom made; what to contain. Same, § 20.

SEC. 1141. The president, or the vice-president and secretary, of each company organized under this chapter, or incorporated under any law of this state, or doing business in this state, shall, annually, on the first day of January of each year, or within thirty days thereafter, prepare, under oath, and deposit in the office of the auditor of state, a full, true, and complete statement of the condition of such company on the last day of the month preceding that in which such statement is filed, which last statement shall exhibit the following items and facts in the following form; to-wit.,

Capital.  
Name of officers.  
Of company and location.  
Capital paid up.  
Assets.

*First*—The amount of capital stock of the company;

*Second*—The name of the officers;

*Third*—The name of the company, and where located;

*Fourth*—The amount of its capital stock paid up;

*Fifth*—The property or assets held by the company, specifying:

Real estate.

1. The value, as nearly as may be, of the real estate owned by such company;

2. The amount of cash on hand and deposited in banks to the credit of the company, and in what bank the same is deposited; Cash on hand.

3. The amount of cash in the hands of agents, and in the course of transmission; In transit.

4. The amount of loans secured by first mortgage on real estate, with the rate of interest thereon; Mortgages.

5. The amount of all other bonds and loans, and how secured, with the rate of interest thereon; Loans.

6. The amount due the company on which judgment has been obtained; Judgments.

7. The amount of stocks of this state, of the United States, of any incorporated city of this state, and of any other stocks owned by the company, specifying the amount, number of shares, and par and market value of each kind of stock; Stocks.

8. The amount of stock held by such company as collateral security for loans, with amount loaned on each kind of stock, its par and market value; Collaterals.

9. The amount of assessments on stock and premium notes, paid and unpaid; Assessments.

10. The amount of interest actually due and unpaid; Interest.

11. All other securities and their value; Securities.

12. The amount for which premium notes have been given on which policies have been issued. Notes.

*Sixth*—Liabilities of such company specifying: Liabilities.

1. The losses adjusted and due; Losses.

2. The losses adjusted and not due;

3. Losses unadjusted;

4. Losses in suspense and the cause thereof;

5. Losses resisted and in litigation;

6. Dividends, either in scrip or cash, specifying amount of each, declared but not due; Dividends.

7. Dividends declared and due;

8. The amount required to reinsure all outstanding risks, on the basis of forty per cent of the premium on all unexpired risks; Re-insurance.

9. The amount due banks or other creditors; Amounts due.

10. The amount of money borrowed and the security therefor; Money borrowed.

11. All other claims against the company. Other claims.

*Seventh*—The income of the company during the previous year, specifying: Income.

1. The amount received for premiums, exclusive of premium notes; Premiums.

2. The amount of premium notes received; Notes.

3. The amount received for interest; Interest.

4. The amount received for assessments, or calls on stock notes, or premium notes; Assessments.

5. The amount received from all other sources. Other sources.



Expenditures.	<i>Eighth</i> —The expenditures during the preceding year, specifying:
Losses paid.	1. The amount of losses paid during said term, stating how much of the same accrued prior, and how much subsequent, to the date of the preceding statement, and the amount at which losses were estimated in such statement:
Dividends.	2. The amount paid for dividends;
Salaries.	3. The amount paid for commissions, salaries, expenses, and other charges of agents, clerks, and other employes;
Charges.	4. The amount paid for salaries, fees, and other charges of officers and directors:
Taxes.	5. The amount paid for local, state, national, internal revenue, and other taxes and duties;
Other expenses.	6. The amount paid for all other expenses, expenditures, including printing, stationery, rents, furniture, etc.
Risks.	<i>Ninth</i> —The largest amount insured in any one risk. <i>Tenth</i> —The amount of risks written during the year then ending. <i>Eleventh</i> —The amount of risks in force, having less than one year to run. <i>Twelfth</i> —The amount of risks in force, having more than one, and not over three years to run. <i>Thirteenth</i> —The amount of risks having more than three years to run.
Question.	<i>Fourteenth</i> —The following question must be answered; viz., Are dividends declared on premiums received for risks not terminated?
Accident companies: ticket register.	<i>Fifteenth</i> —Each accident insurance company, or company insuring against accidents in this state, shall keep a register of tickets sold by its officers or agents, which register shall show name and residence of the person insured, the amount of such insurance, the date of issue of such ticket, and the time the same will remain in force, and every such company shall file in the office of the auditor of state, in January in each year, a report, sworn to by the president or secretary of the company, showing the above items of the business of such company during the preceding year, and the auditor of state shall withhold the certificate of authority from any such company neglecting or failing to comply with the provisions of this section.
Auditor may require information. Same, § 21.	SEC. 1142. The auditor of state is hereby authorized and empowered to address any inquiries to any insurance company in relation to its doings and condition, or any other matter connected with its transactions, which he may deem necessary for the public good, or for a proper discharge of his duties, and any company so addressed shall promptly reply in writing thereto.
Additional exhibit. Same, § 22.	SEC. 1143. The statement of any company, the capital of which is composed in whole, or in part, of notes, shall, in addition to the foregoing, exhibit the amount of notes originally forming the capital, and also what proportion of said notes is still held by such company and considered a

## FOREIGN COMPANIES—CAPITAL REQUIRED.

SEC. 1144. No insurance company, association, or partnership, organized or associated for any of the purposes specified in this chapter, incorporated by, or organized under, the laws of any other state or any foreign government, shall, directly or indirectly, take risks or transact any business of insurance in this state, unless possessed of two hundred thousand dollars of actual paid-up capital, exclusive of any assets of any such company deposited in any other states or territories for the special benefit or security of the insured therein: *provided*, that the foregoing provisions of this section shall not apply to foreign mutual hail insurance company[ies] issuing policies for a term of one year or less; and any such company, desiring to transact any such business as aforesaid, by an agent or agents in this state, shall file with the auditor of state a written instrument, duly signed and sealed, authorizing any agent or agents of such company in this state, to acknowledge service of process for and in behalf of such company in this state, consenting that service of process, original, mesne, or final, upon any such agent or agents, shall be taken and held as valid as if served upon the company according to the laws of this or any other state, and waiving all claim or right of error, by reason of such acknowledgment or service; and also a certified copy of their charter or deed of settlement, together with a statement, under oath, of the president or vice-president, or other chief officer, and the secretary of the company for which they may act, stating the name of the company and the place where located, the amount of its capital, with a detailed statement of the facts and items required from companies organized under the laws of this state, as per section eleven hundred and forty-one hereof; also a copy of the last annual report, if any, made under any law of the state by which such company was incorporated; and no agent shall be allowed to transact business for any company whose capital is impaired by liabilities as stated in section eleven hundred and forty-one of this chapter, to the extent of twenty per cent thereof, while such deficiency shall continue. Any mutual fire insurance company possessed of cash assets safely invested, amounting to at least two hundred thousand dollars over and above all its liabilities, including the reserve for re-insurance required by the laws of this state, shall be deemed to be possessed of two hundred thousand dollars of actual paid up capital, within the meaning of this section, and may be authorized to take risks and transact the business of insurance in this state, on complying with the requisitions of said chapter four, relating to insurance companies incorporated by or under the laws of other states; subject, however, to all the provisions of said chapter applicable to such insurance companies, and to all other acts and laws re-

Amount: pre-requisites to insuring.  
Same, § 23.  
Ch. 106, § 2, 14  
G. A.

Cash assets:  
paid up capital.

## RISKS—AGENTS.

Certificate required before risks taken.  
Ch. 138, § 24, 12  
G. A.

SEC. 1145. No agent shall act for any insurance company referred to herein, directly or indirectly, in taking risks or transacting business of insurance in this state, without procuring from the auditor of state a certificate of authority, stating that such company has complied with all the requisitions of this chapter.

Make annual statements.  
Same § 25.

SEC. 1146. The statements and evidences of investment required of foreign companies as above, shall be renewed annually, in such manner and form as required hereby and as said auditor may direct, with any additional statement of the amount of the losses incurred or premiums received in this state during the preceding period, so long as such agency continues. And the said auditor, on being satisfied that the capital, securities and investments remain secure, as hereinbefore provided, shall furnish a renewal of his certificates as aforesaid. All notes taken for policies of insurance in any company doing business in this state, shall state upon their face that they have been taken for insurance, and shall not be collectible unless the company and its agents have fully complied with the laws of this state relative to insurance.

Notes given for insurance: when not collectible.

Conform to provisions of this chapter: penalty for failure.  
Same, § 26.

SEC. 1147. Every insurance company organized under the laws of, or doing business in, this state, shall conform to the provisions of this chapter applicable thereto, and, when necessary, any existing company shall change its charter and by-laws, so as to conform thereto, by a vote of a majority of its board of directors; and any president, secretary, or other officer of any company organized under the laws of Iowa, or any officer or person doing, or attempting to do, business in this state for any insurance company organized without this state, failing to comply with any of the requirements of this chapter, or violating any of the provisions thereof, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be fined in a sum not exceeding one thousand dollars, and be imprisoned in the county jail for a period not less than thirty days nor more than six months.

Advertisements: what to contain.  
Same, § 27.

SEC. 1148. Every agent of any insurance company, shall in all advertisements of such agency, publish the location of the company, giving the name of the city, town or village in which the company is located, and the state or government under the laws of which it is organized. The term agent, used in the foregoing sections, shall include any other person who shall, in any manner, directly or indirectly, transact the insurance business of any insurance company not incorporated by the laws of this state. The provisions of the foregoing sections relative to foreign companies shall apply to all such companies, partnerships, associations or individuals, whether incorporated or not.

## EXAMINATION BY AUDITOR.

**SEC. 1149.** The auditor of state shall, whenever he deems it expedient so to do, appoint one or more persons, not officers, agents, or stockholders of any insurance company doing business in this state, to examine into the affairs and condition of any insurance company incorporated or doing business in this state, or to make such examination himself; and the officers or agents of such company or companies shall cause their books to be opened for the inspection of the auditor or the person or persons so appointed, and otherwise facilitate such examination so far as may be in their power so to do; and for the purpose of arriving at the truth in such case, the auditor, or the person or persons so appointed by him, shall have power to examine, under oath, the officers or agents of any company, or others if necessary, relative to the business and condition of said company; and whenever the auditor shall deem it best for the interest of the public so to do, he shall publish the result of such investigation in one or more papers in this state; and whenever it shall appear to the auditor, from such examination, that the assets and funds of any company incorporated in this state are reduced or impaired by the liabilities of said companies, as described under the head of liabilities in the statement required by this chapter, more than twenty per cent below the paid-up capital stock required hereby, he may direct the officers thereof to require the stockholders to pay in the amount of such deficiency, within such a period as he may designate in such requisition, or he shall communicate the fact to the attorney-general, who shall apply to the district or circuit court, or, if in vacation, to one of the judges thereof, for an order requiring said company to show cause why their business should not be closed; and the court, or judge, as the case may be, shall thereupon proceed to hear the allegations and proofs of the respective parties; and in case it shall appear to the satisfaction of said court, or judge, that the assets and funds of said company are not sufficient as aforesaid, or that the interest of the public requires it, the said court, or judge, shall decree a dissolution of said company and a distribution of its effects. The said court, or judge, shall have power to refer the application of the attorney-general to a referee, to inquire into and report upon the facts stated therein.

Auditor may appoint examiners: their powers: proceedings when assets are impaired. Same, § 28.

**SEC. 1150.** Any company receiving the aforesaid requisition from the auditor, shall forthwith call upon its stockholders for such amounts as will make its paid-up capital equal to the amount fixed by this chapter, or the charter of said company; and in case any stockholder shall refuse or neglect to pay the amount so called for, after notice personally given, or by advertisement in such time and manner as said auditor shall approve, it shall be lawful for the said company to require the return of the original certificate of stock held by such stockholder, and in lieu thereof

Requisition on stockholders: liability of directors. Same, § 29.

to issue new certificates for such number of shares as the said stockholder may be entitled to in the proportion that the ascertained value of the funds of said company may be found to bear to the original capital of the said company; the value of such shares for which new certificates shall be issued to be ascertained under the direction of the said auditor, the company paying for the fractional parts of shares; and it shall be lawful for the directors of such company to create new stock and dispose of the same, and to issue new certificates therefor, to an amount sufficient to make up the original capital of the company. And in the event of any additional losses accruing upon new risks, taken after the expiration of the period limited by the said auditor in the aforesaid requisition for the filling up of the deficiency in the capital of such company, and before said deficiency shall have been made up, the directors shall be individually liable to the extent thereof.

Examination  
and proceed-  
ings in case of  
mutual com-  
panies.  
Same, § 30.

SEC. 1151. If, upon such examination, it shall appear to the auditor, that the assets of any company, chartered upon the plan of mutual insurance under this chapter, are insufficient to justify the continuance of such company in business, he shall proceed in relation to such company in the same manner as herein required in regard to joint-stock companies; and the trustees or directors of such company are made personally liable for any losses which may be sustained upon risks taken after the expiration of the period limited by the auditor for filling up the deficiency in the capital, and before such deficiency shall have been made up. Any transfer of the stock of any company organized under this chapter, made during the pending of any investigation required above, shall not release the party making the transfer from his liability for losses, which may have accrued previous to such transfer.

Revocation of  
certificate  
Same, § 31.

SEC. 1152. The auditor of state shall be authorized to examine into the condition and affairs of any insurance company, as provided for in this chapter, doing business in this state, not organized under the laws of this state, or cause such examination to be made by some person or persons appointed by him, having no interest in any insurance company; and, whenever it shall appear to the satisfaction of said auditor that the affairs of any such company are in an unsound condition, he shall revoke the certificates granted in behalf of such company, and shall cause a notification thereof to be published in some newspaper of general circulation published in the city of Des Moines, and the agent or agents of such company are, after such notice, required to discontinue the issuing of any new policy, or the renewal of any previously issued.

#### FEES.

Amount of.

SEC. 1153. There shall be paid by every company doing business in this state, except companies organized under the laws of this state, the following fees:

Upon filing declaration, or certified copy of charter, twenty-five dollars;

Upon filing the annual statement, twenty dollars;

For each certificate of authority, and certified copy thereof, two dollars;

For every copy of any paper filed in the department, the sum of twenty cents per folio, and for affixing the official seal to such copy, and certifying the same, one dollar;

For valuing policies of life insurance companies, ten dollars per million of insurance or for any fraction thereof;

For official examinations of companies under this act, the actual expense incurred.

And companies organized under the law of this state, shall pay the following fees:

For filing and examination of the first application of any company, and the issuing of the certificate of license thereon, ten dollars;

For filing each annual statement, and issuing the renewal of license required by law, three dollars;

For each certificate of authority to its agents, fifty cents.

SEC. 1154. When, by the laws of any other state, any taxes, fines, penalties, licenses, fees, deposits of moneys or securities, or other obligations or prohibitions, are imposed, or would be imposed, on insurance companies of this state, doing, or that might seek to do, business in such other state, or upon their agents therein, so long as such laws continue in force, the same obligations and prohibitions, of whatever kind, shall be imposed upon all insurance companies of such other state doing business within this state, or upon their agents here.

SEC. 1155. Every insurance company of the kind provided for in this chapter, doing business in this state, organized under the laws of this state or any other state or country, shall publish, annually, in two newspapers of general circulation, one of which shall be published at the capital of this state, and in case of any company organized in the state of Iowa, one of which shall be published in the county where the principal office is located, a certificate from the auditor of state that such company has, in all respects, complied with the laws of this state relating to insurance. Said certificate shall also contain a statement, under the oath of the president or secretary of such insurance company of the actual amount of paid-up capital, the aggregate amount of assets and liabilities at the date of such certificate, together with the aggregate income and expenditures of such company for the year preceding the date of such certificate.

SEC. 1156. The necessary expenditure of any examination made or ordered to be made by the auditor of state, under this chapter, shall be certified to by him, and paid on his requisition by the company which is the subject of such examination.

In case of the refusal by any company to pay the requisition of the auditor of state the necessary expenses, it shall be the

Laws of other states.

Certificate of auditor to be published annually.

Company to pay expenses examination. Ch. 37, § 1, 16 A.



These reports to be tabulated by the auditor of state, and published by him in his annual report on insurance, and one copy shall by him be sent to each company reporting as above. But no foreign life insurance company, aid society, or association for the insurance of the lives of its members and doing business on the assessment plan, shall be allowed to do business in this state unless it has a guaranteed capital of not less than one hundred thousand dollars in the state in which it was organized, and such companies shall pay the same fees for annual reports as are now paid by stock companies.

And such companies organized under this section shall pay the same fees for annual reports as are now paid by stock companies, but such association or companies shall receive no premiums nor make any dividends; but the word premiums herein, shall not be construed to mean policy and survey fees, nor the necessary expenses of such companies.

The following, section 807, is taken from the revenue law, and inserted here, as it prescribes the taxes to be paid by all insurance companies of other states doing business in Iowa:

SEC. 807. Every insurance company doing business in this state, except in joint stock and mutual companies organized under the laws of this state, shall, at the time of making the annual statements as required by law, pay into the state treasury as taxes two and one-half per cent of the gross amount of premiums received in this state during the preceding year, taking duplicate receipts therefor, one of which shall be filed with the auditor; and upon the filing of said receipts, and not till then, the said auditor shall issue the annual certificate as provided by law; and the said sum of two and one-half per cent shall be in full for all taxes, state and local.

Insurance companies; how taxed.  
Ch. 106, § 6, 14  
G. A.

The following, section 3778, is taken from title XXIII, on compensation of officers, and inserted here for the purpose of showing that the fees collected are required to be paid into the state treasury at the end of each month; hence no credit can be given, but all payments must be made before certificate can be issued:

SEC. 3778. The secretary of state, auditor of state, and register of the state land office, shall keep an accurate and particular account of all fees received by them, which shall be verified by affidavit, and rendered monthly to the treasurer of state, and they shall pay the amounts thus received to such treasurer at the end of each month.

Certain state officers to pay fees to state treasurer.  
Ch. 112, § 8, 13  
G. A.



## CHAPTER 39.

## FIRE INSURANCE COMPANIES.

S. F. 258.

AN ACT to require fire insurance companies doing business in this state to cancel policies in certain cases. Additional to Code, chapter 4, title IX: "Of Insurance Companies,"

*Be it enacted by the General Assembly of the State of Iowa:*

Duty of auditor  
of state.

SECTION 1. That the auditor of state shall have power, and it shall be his duty, to examine the form of all policy contracts hereafter issued, or proposed to be issued, by any fire insurance company, association, or corporation now authorized by law, or that may hereafter apply to be authorized to transact business of fire insurance in this state, and the auditor shall refuse to authorize any such company, association, or corporation to do business in this state, and shall not renew the authority or certificates of any such company, association, or corporation authorized to do business in this state, whenever the form of policy, contract issued or proposed to be issued by any such company, association, or corporation does not provide for the cancellation of the same at the request of the insured upon equitable terms; and in case of any violation of this act, it shall be the duty of the auditor to revoke the authority of such company to do business within this state. The provisions of this act shall not apply until January 1, 1879, to any company now holding a certificate of authority from the auditor to do business in this state.

Form of policy.

To take effect.

Approved, March 15, 1878.

## CHAPTER 3.

TO PREVENT THE PUBLICATION OF FALSE STATEMENTS REGARDING  
FIRE INSURANCE.

AN ACT to prevent the making and publication of false or deceptive statements in relation to the business of fire insurance. Additional to Code, title IX, chapter 4.

*Be it enacted by the General Assembly of the State of Iowa:*

Unlawful for  
any company  
or agent to  
make false  
statement of  
assets.

SECTION 1. It shall not be lawful for any company, corporation, association, individual or individuals, now transacting or now or hereafter authorized, under any existing or future laws of this state, to transact the business of fire insurance within this state, to state or represent either by advertisement in any newspaper, magazine, or periodical, or by any sign, circular, card, policy of insurance, or certificate of renewal thereof, or otherwise, any funds or assets to be in possession of any such company, corporation, association, individual or individuals, not

actually possessed by such company, corporation, association, individual or individuals and available for the payment of losses by fire, and held for the protection of holders of policies of fire insurance.

SEC. 2. Every advertisement or public announcement, and every sign, circular or card hereafter made or issued by any company, corporation, association, individual or individuals, or any officer, agent, manager or legal representative thereof, now, or hereafter authorized by any existing or future laws of this state to transact the business of fire insurance within this state, which shall purport to make known the financial standing of any such company, corporation, association, individual or individuals, shall exhibit the capital actually paid in, in cash, and the amount of net surplus of assets over all liabilities of such company, corporation, association, individual or individuals actually available for the payment of losses by fire and held for the protection of holders of their policies of fire insurance, and shall also exhibit the amount of net surplus of assets over all liabilities in the United States actually available for the payment of losses by fire and held in the United States for the protection of holders of their policies of fire insurance in the United States, including in such liabilities the fund reserved for re-insurance of outstanding risks; and shall correspond with the verified statement made by the company, corporation, association, individual or individuals making or issuing the same to the insurance department of this state next preceding the making or issuing the same. The provisions of this section shall not apply to companies, corporations or associations organized and doing business under the laws of this state.

SEC. 3. Nothing in this act shall be construed to prohibit any insurance company or association from publishing in any policy or certificate of renewal thereof a single item showing the amount of their capital as set forth in their charter, act of incorporation, deed of settlement or articles of association under which they are authorized to transact the business of insurance.

SEC. 4. Any violation of any provision of this act shall, for the first offense, subject the company, corporation, association, individual or individuals guilty of such violation, to a penalty of five hundred dollars, to be sued for and recovered in the name of the state, with costs and expenses of such prosecution by the district attorney of any county in which the company, corporation, association, individual or individuals shall be located or may transact business, or in any county where such offense may be committed, and such penalty when recovered shall be paid into the treasury of such county for the benefit of the school-fund of said county. Every subsequent violation shall subject the company, corporation, association, individual or individuals guilty of such violation to a penalty of not less than one thousand dollars, which shall be sued for, recovered and disposed of in like manner as for the first offense.

Approved, March 25, 1878.

Publication of financial standing shall truly exhibit capital, etc.

Exception.

Nothing herein to prevent publication of amount of capital in policy.

Penalty for violating provisions of this act.

